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United States Senate

COMMITTEE ON SMALL BUSINESS
WASHINGTON, DC 20510-6350

March 15, 2001

General Eric K. Shinseki, USA
Chief of Staff
United States Army
The Pentagon
Washington, D.C. 20310

Dear General Shinseki:

The United States Senate Committee on Small Business (Committee) is concerned about news reports that the Department of the Army (Army), through the Defense Logistics Agency (DLA), is in the process of procuring 3,000,000 black berets for the U.S. Army forces. It was reported that the black berets are being purchased not from sources in the United States but from companies in the Peoples Republic of China, Sri Lanka, Romania, and perhaps additional countries.

Pursuant to Subsection (o)(3) of Rule XXV of the Standing Rules of the Senate, the Committee is responsible for studying and surveying all problems of American small business entrepreneurs and to report on them from time to time. Since becoming Chairman of the Committee in 1995, I have and continue to be concerned about our Nation's economic security and the importance of providing ample opportunities for small businesses to compete for Federal government contracts. In fact, in 1997, Congress spoke loudly on this issue and approved legislation originating from the Committee that increased the Federal goal for small business contracting from 20% to 23% of all Federal contracting dollars. Moreover, and in keeping with our jurisdiction, small business contracting within the Federal government has declined in recent years, and the negative impact contract bundling has reached critical mass.

In the instant case, I am concerned that a purchase of 3,000,000 black berets was not reserved for American businesses, in particular American small businesses. In order for the Committee to understand better the rationale followed by the Army and DLA for this procurement, please respond to the following questions:

1. Who directed that the procurement be undertaken? Provide all records relating to the procurement decision, including dates and milestones.
2. Why were the dates of April 15, 2001, and October 1, 2001, selected for introduction of the berets? Who made this recommendation initially? Who accepted this

recommendation? Provide all records pertaining to the initial time line for the procurement and records of all amendments, changes, deletions and /or additions to the time line;

3. Did the Army's Office of Small and Disadvantaged Business Utilization (SADBU) sign off on the procurement? Provide all records from the SADBU relating to the procurement, including drafts.
4. Who directed that the Army purchase decision be limited to a "seamless" beret? Please provide all records relating to the decision to procurement a "seamless" beret.
5. As part of your reply, provide samples of the domestic and foreign-manufactured "seamless" berets and the American-manufactured one-seam beret.
6. Please provide a detailed explanation of both the significant and insignificant differences between a "seamless" and one-seam" beret.
7. What was the outcome of the protest of the Atlas Headwear Company, Phoenix, Arizona, on the procurement? Provide all records pertaining to the Atlas Headwear Company's protest on this matter or related matters, and the names, positions and telephone numbers of the individual involved.

Definitions and Instructions

For purposes of this request, the terms 'referring' or 'relating' and 'pertaining' as to any given subject means anything that constitutes, contains, embodies, identifies, deals with, or is in any manner whatsoever pertinent to that subject, including but not limited to records concerning the preparation of other records.

For the purpose of this request, the word 'record' or 'records' shall include but shall not be limited to any and all originals and identical copies of any item whether written, typed, handwritten, printed, recorded, transcribed, taped, film, graphically portrayed, video or audio taped, however produced or reproduced, and includes but is not limited to any writing, reproduction, transcription, photograph, or video or audio recording, produced or stored in any fashion, including any and all computer entries, memoranda, diaries, forms, telephone logs, tapes, notes, talking points, letters, journal entries, reports, studies, drawings, calendars, manuals, press releases, contracts, agreements, opinions, documents, analysis, messages, summaries, bulletins, e-mail, disks, briefing materials and notes, executive cover sheets or routing cover sheets or any other machine readable materials of any sort whether prepared by current or former employees in a full or part-time capacity, agents, consultants, or by any non-employee without limitation. 'Record' shall also include redacted and un-redacted versions of the same record.

Manner of Production

In preparing the information requested for production to the Committee, please:


1. repeat each question; and
2. clearly identify each document and the question(s) to which it is responsive.

Should you decide to withhold any documents, please identify the document and provide the legal basis for it being withheld. In the event any document is redacted in whole or in part, please identify the legal basis for the redaction. In addition, please indicate any documents which you know existed but cannot be located or have been destroyed.

Moreover, please be sure to provide to this Committee the documents requested as they are compiled. Accordingly, if some portion of a response is available prior to the due date of the document request, it should be provided immediately to the Committee and not withheld in anticipation of the due date.

Thank you for your prompt attention to the Committee's request, so that the Committee receives the above requested information no later than Thursday, April 5, 2001. If you have any questions, please contact me directly or have your staff contact the Committee's Chief Counsel, Paul Cooksey, at (202) 224-5175.

Sincerely,



Christopher S. Bond
Chairman

cc: The Honorable Donald Rumsfeld
Secretary of Defense